Department of Health
Medicinal Marijuana Program

2017 Annual Report

Table of Contents

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Alternative Treatment Centers…… 2
Medicinal Marijuana Cultivation…… 3
ATC Examinations……4
Patient/Caregiver Registration……..…..……..5
Physicians…… 5
Outreach & Communication……6
Education……..6
Marijuana Testing……6
Medicinal Marijuana Review Panel……..7
Additional Debilitating Medical Conditions Process……7
Regulatory Process……8
Budget……...9
Executive Order #6……...9
Program Statistics……...10

This document reports the status of the New Jersey Department of Health (Department) Medicinal Marijuana Program's (MMP) progress in the implementation of the New Jersey Compassionate Use Medical Marijuana Act (the Act), N.J.S.A. 24:6I-1 et seq. This report provides an update of program developments in calendar year 2017 on the status of the Alternative Treatment Centers (ATCs); medicinal marijuana cultivation; ATC examinations; the patient, caregiver, and physician registries; outreach and communication; education; marijuana testing; the regulatory process; calendar year 2017 statistics (i.e., through December 31, 2017); and includes a brief review of changes to the MMP as prescribed in the Department of Health's Executive Order #6 Report.

Note: all numbers reported are for calendar year 2017 (January 1 – December 31, 2017) unless otherwise noted.

Alternative Treatment Centers (ATCs)

Greenleaf Compassion Center (GCC) in Montclair, Essex County, was issued a permit to cultivate on April 16, 2012, and issued a final permit on October 15, 2012. GCC began dispensing medicinal marijuana to patients on December 6, 2012. Since its initial permitting, 3,684 patients have been served, 20,650 transactions completed, and 690.3 pounds of product dispensed. From January 1, 2017 through December 31, 2017, 2,188 patients were served, 8,872 transactions completed, and 297.8 pounds of product dispensed. GCC dispensed product on 301 days in 2017. The Department maintains 24/7 video surveillance of the ATC operation and access to its internal inventory management system. GCC was re-permitted on January 1, 2018.

Compassionate Care Foundation (CCF) in Egg Harbor, Atlantic County, was issued a permit to cultivate on June 6, 2013, and issued a final permit on October 3, 2013. CCF began dispensing medicinal marijuana to patients on October 28, 2013. Since its initial permitting, 4,044 patients have been served, 45,984 transactions completed, and 1600.4 pounds of product dispensed. From January 1, 2017 through December 31, 2017, 2,389 patients were served, 20,263 transactions completed, and 635.7 pounds of product dispensed. CCF dispensed product on 360 days in 2017. The Department maintains 24/7 video surveillance of the ATC operation and access to its internal inventory management system. CCF was re-permitted on January 1, 2018.

Garden State Dispensary (GSD) in Woodbridge, Middlesex County, was issued a permit to cultivate on August 7, 2013, and issued a final permit on November 20, 2013. GSD began dispensing medicinal marijuana to patients on November 22, 2013. Since its initial permitting, 6,808 patients have been served, 79,219 transactions completed, and 2817.7 pounds of product dispensed. From January 1, 2017 through December 31, 2017, 4038 patients were served, 27,735 transactions completed, and 982.9 pounds of product dispensed. GSD dispensed product on 358 days in 2017. The Department maintains 24/7 video surveillance of the ATC operation and access to its internal inventory management system. GSD was re-permitted on January 1, 2018.

Breakwater ATC (BW) in Cranbury, Middlesex County, was issued a temporary permit to cultivate on November 20, 2014 and issued a final permit on October 14, 2015. Breakwater began dispensing medicinal marijuana to patients on October 15, 2015. Since its initial permitting, 4,573 patients have been served, 42,099 transactions completed, and 1541 pounds of product dispensed. From January 1, 2017 through December 31, 2017, 3744 patients were served, 27,774 transactions completed, and 1001.2 pounds of product dispensed. Breakwater dispensed product on 304 days in 2017. The Department maintains 24/7 video surveillance of the ATC operation and access to its internal inventory management system. BW was re-permitted on January 1, 2018.

Compassionate Science ATC (CS) in Bellmawr, Camden County was issued a temporary permit to cultivate on June 29, 2015 and issued a final permit on September 21, 2015. CS began dispensing medicinal marijuana to patients on September 30, 2015. Since its initial permitting, 7,036 patients have been served, 109,996 transactions completed, and 3292 pounds of product dispensed. From January 1, 2017 through December 31, 2017, 6,358 patients were served, 76,406 transactions completed, and 2302.2 pounds of product dispensed. CS dispensed product on 357 days in 2017. The Department maintains 24/7 video surveillance of the ATC operation and access to its internal inventory management system. CS was re-permitted on January 1, 2018.

Harmony Foundation of New Jersey (HFNJ) in Secaucus, Hudson County, was issued a temporary permit to cultivate on July 27, 2017. On October 15, 2017 HFNJ initiated cultivation of seven strains of medicinal marijuana. HFNJ has advised the Department that they expect to be ready for final review and inspection by late spring 2018. The Department maintains 24/7 video surveillance of the ATC operation and access to its internal inventory management system. Upon final inspection and attaining full regulatory compliance the facility will be issued a Permit to Operate.

Medicinal Marijuana Cultivation

As a result of amendments to P.L.2009, c.307, ATCs are not limited in the number of strains of medicinal marijuana cultivated. The chart below outlines the number of medicinal marijuana strains cultivated by permitted ATCs since the inception of the program through December 31, 2017. The laboratory results of strains available are contained in the MMP Strain Library which is available to physicians and patients.

Table 1: Medicinal Marijuana Strains by ATC

	GCC	CCF	GSD	BW	CS	HFNJ	Total
Total Strains Initiated	22	50	68	29	53	0	222
Strains Discontinued	5	17	34	6	21	0	83
Strains in Cultivation	17	32	35	26	32	0	142
Strains Tested	14	19	34	22	29	0	118
*CBD Strains Available	2	2	4	1	2	0	11
Total Strains Available	16	14	28	14	30	0	102

*CBD strains are, at a minimum, a 1:1 ratio of CBD to THC
CBD = Cannabidiol
THC= Tetrahydrocannabinol

ATC Examinations

The Department executed a Memorandum of Agreement with the Department of Law and Public Safety (LPS) on January 12, 2012. LPS agreed to assist DOH with obtaining credible and relevant criminal, financial, and other information; as well as provide legal expertise in the examination of the ATCs' principals and business structure to assist the Department in making informed decisions regarding ATC permitting.

Greenleaf Compassion Center (GCC) - Examination of GCC principals and business structure was initiated on December 15, 2011. Examination was completed on April 16, 2012. GCC was issued an ATC permit upon review and approval of the examination and attaining full regulatory compliance.

Compassionate Care Foundation (CCF) - Examination of CCF principals was initiated on February 13, 2012. Examination was completed on March 18, 2013. CCF was issued an ATC permit upon review and approval of the examination and attaining full regulatory compliance.

Garden State Dispensary (GSD) - Examination of GSD principals was initiated on September 4, 2012. Examination was completed on April 24, 2013. GSD was issued an ATC permit upon review and approval of the examination and attaining full regulatory compliance.

Breakwater ATC (Breakwater) - Examination of Breakwater principals was initiated on August 24, 2012. Examination was completed on December 13, 2013. Breakwater was issued an ATC permit upon review and approval of the examination and attaining full regulatory compliance.

Compassionate Science ATC (CSATC) - The examination of CSATC principals, corporate structure, and funding source was initiated on February 12, 2013. Examination was completed on June 3, 2015. CSATC was issued an ATC permit upon review and approval of the examination and attaining full regulatory compliance.

Harmony Foundation of New Jersey (HFNJ) - The examination of Harmony principals, corporate structure, and funding sources was initiated on December 2, 2014. The examination was completed on July 26, 2017 and HFNJ was issued a Temporary Permit to Cultivate on July 27, 2017. Upon completion of lab testing of initial strain offerings and full regulatory compliance, HFNJ will be issued a Final Permit to Operate.

Examination timeframes have historically been impacted by a number of factors including the complexity of the ATC business structure, their contractual agreements and their responsiveness to requests for information. The Department is currently reviewing our processes to improve timeliness of examinations and reduce administrative burden.

Patient/Caregiver Registration

The MMP developed an electronic patient and caregiver registration and payment process (the registry). The registry is an encrypted, public web application that provides end-to-end security of personal, medical and financial information of the applicant. This registry opened on August 9, 2012. Since the registry opened, 24,385 qualifying patients and 1,665 caregivers have been registered with the program. From January 1, 2017 through December 31, 2017, 11,350 qualifying patients and 637 caregivers registered with the program. Including renewals, in 2017 the MMP issued identification cards to 13,181 qualifying applicants completing the registration process.

The biennial patient and caregiver registration fee was $200 throughout 2017, but lowered to $100 in March 2018. Patients and caregivers that receive New Jersey Medicaid, Supplemental Nutrition Assistance Program (SNAP) benefits, New Jersey Temporary Disability Insurance benefits, Supplemental Security Income (SSI) benefits or Social Security Disability (SSD) benefits, receive a reduced registration fee of $20. In March 2018, the Department added veterans and seniors, those 65 and older, to the patients eligible for the $20 reduced card fee. Currently, approximately 45 percent of registered patients and caregivers receive the reduced application fee of $20. The Department expects that percentage to increase as the number of patients who qualify for the discount increases.

Physicians

Since the inception of the program, 663 physicians have registered with the program; of those physicians registered, 537 are active, 71 requested to be inactivated, and 19 were disapproved. From January 1, 2017 through December 31, 2017, and a total of 108 new physicians registered with the program, 104 are active, 2 are inactivated, and 2 were disapproved. Of active physicians, 70 percent are currently authorizing patients. Beginning in March 2018, physicians can opt out of the public listing on the website. Patients may

ask their primary physician to create an account with the MMP or they may locate a participating physician (who has not opted out) on the MMP website by county and/or medical specialty.

Participating physicians must hold an active New Jersey medical license in good standing issued by the NJ Board of Medical Examiners, possess an active controlled dangerous substances registration issued by the NJ Division of Consumer Affairs that is not subject to limitation, and practice within the State of New Jersey.

Outreach & Communication

The MMP developed a Customer Service Unit (CSU) to provide program information for physicians, patients, caregivers, ATCs and the public. Through December 31, 2017, CSU had responded to 54,637 public inquiries via telephone and e-mail. The CSU also assists patients and caregivers through the registration process.

The MMP communicates with ATCs in the examination process to facilitate the review of submissions. Additionally, the MMP communicates weekly with ATCs to monitor activity, obtain status reports, and resolve any programmatic issues to ensure compliance with the Act and applicable regulations.

Education

The MMP has partnered with the New Jersey Board of Medical Examiners, the Medical Society of New Jersey, and the Drug Policy Alliance to provide an electronic library of scholarly articles and research materials, which are available on the MMP website.

The MMP has developed a Medicinal Marijuana Strain Library available to registered physicians and patients through the MMP registry. The library contains laboratory testing results of available strains of medicinal marijuana cultivated by the ATCs. As of December 31, 2017, there were 118 distinct strains tested which are posted on the library site. The library is designed to assist physicians and patients in making informed decisions regarding medicinal marijuana use.

Marijuana Testing

The MMP worked with several State agencies to develop marijuana sampling and testing protocols that ensure compliance with labeling standards and the quality of the product. Furthermore, the Department's Public Health Environmental Laboratory (PHEL) established additional, scientific protocols for product sampling and testing.

The PHEL worked with the Department of Agriculture to develop protocols related to testing for mold and pesticides. The MMP sampling and testing process was developed after researching marijuana testing protocols in the United States, Canada, and Europe. Product testing is necessary to establish cannabinoid profiles and screen the product for

mold and other contaminants that can be dangerous for patients with compromised immune systems. The PHEL has developed a testing protocol for the detection of pesticides. Additionally, ATCs have provided the MMP with certification that no chemical pesticides are used in the cultivation of medicinal marijuana.

As of December 31, 2017, the MMP has conducted laboratory testing on 118 distinct strains of medicinal marijuana cultivated by operating ATCs.

Medicinal Marijuana Review Panel

The table below lists the confirmed Medicinal Marijuana Review Panel members, their specialty area, and requirements as per the rules.

Table 2: Medicinal Marijuana Review Panel

Panel Member	Specialty	Rule Requirement
Vacant	President, New Jersey State Board of Medical Examiners	President, New Jersey State Board of Medical Examiners
Alex Bekker, MD, PhD Chairperson	Anesthesiology	Pain & symptom management expertise/Physician
Petros Levounis, MD, MA	Psychiatry Addiction Medicine	Pain & symptom management expertise/Physician
Cheryl Kennedy, MD Vice Chairperson	Psychiatrist Addiction Medicine	Pain & symptom management expertise/Physician
Jessica Ann Scerbo, MD	Pediatric, Hematology & Oncology	Physician
Mary L. Johansen, PhD	Nursing	Non-physician
Mary M. Bridgeman, Pharm D.	Pharmacist	Non-physician
Stephanie Zarus, Pharm D.	Pain Management	Non-physician

Additional Debilitating Medical Conditions Process

The first Medicinal Marijuana Review Panel meeting was held on May 25, 2016. During this meeting the Panel Chairperson and Vice Chairperson were elected, the Medicinal Marijuana Review Panel bylaws were approved and the Panel received public comment from attendees.

From August 1, 2016 to August 31, 2016 the Department accepted petitions for additional debilitating medical conditions. At the close of this period the Department received sixty-eight (68) petitions.

A Department review of the petitions received determined that forty-five (45) met the qualifications of the MMP Rules and Regulations and would be forwarded to the Medicinal Marijuana Review Panel for consideration. Eighteen (18) did not meet the requirements and were returned to the petitioners. Five (5) petitions that were submitted for Post-Traumatic Stress Disorder (PTSD) were returned to the petitioners because on September 14, 2016, Assembly Bill A-457 was signed into law, allowing PTSD to be included as a debilitating medical condition under the "New Jersey Compassionate Use Medical Marijuana Act."

In December 2016, the qualifying petitions were posted on the Department's website and provided to the Medicinal Marijuana Review Panel. The Panel held a series of public meetings in 2017 to consider each of those petitions. The Panel submitted their initial recommendation to the Commissioner of Health on July 21, 2017. The Panel held its final public meeting on October 25, 2017. Upon a review of the comments received, and subsequent deliberation, the Panel recommended no changes to its initial recommendation and the initial recommendation was deemed its final recommendation. The conditions were added by Final Agency Decision on March 22, 2018.

Regulatory Process

Manufacturing Standards

In March 2015, the Department provided standards to the ATCs for manufacturing lozenge, topical formulations and edible products. To date, two ATCs (Compassionate Science and Breakwater ATC) have implemented the manufacturing standards and are currently dispensing lozenges and/or a topical formulation.

Permitting Process

The Department and New Jersey Department of Law and Public Safety (LPS) established a permitting process to thoroughly review the financial and personal backgrounds of the principals associated with the ATCs. The permitting process is modeled after protocols and procedures for reviewing the background and finances of casino operators undertaken by the Division of Gaming Enforcement, within LPS. Additionally, the MMP has developed an:

- Online registration process for patients, caregivers and ATC employees. Successful applicants are issued an identification card specific to their role within the program;

- Identification card system with various security features that mitigate counterfeiting and which can be validated by law enforcement through an online search; and

- ATC Monitoring Unit that conducts on-site inspections, monitors the ATCs by video in real time, and remotely accesses the ATC internal inventory management systems.

The DOH has collaborated with several State and private entities to implement the Act, including, but not limited to, LPS, including the Office of the Attorney General, the Boards of Medical Examiners and Pharmacy, and the Division of Gaming Enforcement; the Departments of Agriculture, Environmental Protection, Labor and Workforce Development, and Treasury; the Motor Vehicle Commission; Rutgers University; the University of Mississippi; the Drug Policy Alliance; the Medical Society of New Jersey; and the Coalition for Medical Marijuana New Jersey. Each has lent expertise to program implementation and operation.

Budget

The State Fiscal year 2018 (SFY18) MMP budget consists of an appropriation of $857,000, projects $1,500,000 receipts from the issuance of patient and caregiver cards and ATC permitting, and a carry forward from SFY17 of $653,324 for a total overall budget of $3,010,324. Revenue generated from January 1, 2017 to December 31, 2017 from the issuance of patient and caregiver identification cards and ATC permitting is $1,684,324. This revenue offsets the operating cost of the program.

Executive Order #6 Report

On January 23rd, 2018, Governor Phil Murphy, issued Executive Order #6 which directed the Department of Health to undertake a thorough review of the Medicinal Marijuana Program with a focus on ways to expand access to marijuana for medical purposes. On March 27th, 2018, the Department issued the Executive Order #6 Report which includes recommendations on expanding the program for patients, streamlining processes for vetting and approving new ATCs, and improving participation by New Jersey's physicians. Some of the immediate changes mentioned in this report include reducing fees for patients and caregivers, adding mobile access, and making it optional to be listed on the physician registry for physicians. Additionally, the Commissioner of Health raised the program to the Division level and appointed a new Assistant Commissioner to oversee the new Division of Medicinal Marijuana.

Program Statistics (as of December 2017)

Patient Registrations

	New in 2017	Total since Program Inception
Patients Active	9,390	18,199
Patients Inactive	24	2,765
Patients Deceased	627	2,716
Patients Disapproved	618	1,375
Total Patient Registrations	11,349	26,806
Qualifying Patients Registered*	8,984	16,937

Caregiver Registrations

	New in 2017	Total since Program Inception
Caregivers Active	401	803
Caregivers Inactive	288	1,298
Caregivers Disapproved	0	0
Total Caregiver Registrations	689	2,101

Registry Identification Cards Revoked 0

*For 2017, approximately 45% of registered patients and caregivers qualified for and received the reduced application fee of $20.00.

Physician Registry

	New in 2017	Total since Program Inception
Physicians Active*	104	537
Physicians Inactivated	2	71
Physicians Disapproved	2	19
Total Physician Activity	108	663

Thirty-six (36) physicians have voluntarily left the program.

*Of the 537 active registered physicians, 375 or 70% are authorizing patients for the MMP.

ATC Examinations

Initiated	6
Completed	6
Ongoing	0

ATC Permits

Issued	6
Full	5
Limited	1
Revoked	0

Table 3:
Nature of the Patients' Qualifying Illness

(August 9, 2012 through December 31, 2017)

Debilitating Condition	Count of Patient Conditions	Percentage of Patient Population
Glaucoma	1,348	4.48%
Inflammatory Bowel Disease	2,653	8.82%
Intractable Skeletal Spasticity	12,061	40.11%
Lateral Sclerosis	141	0.47%
Multiple Sclerosis	1,794	5.97%
Muscular Dystrophy	198	0.66%
Post-Traumatic Stress Disorder (PTSD)	2,760	9.18%
Seizure Disorder	1,348	4.48%
Severe or Chronic Pain	6,405	21.30%
Terminal Cancer	1,799	5.98%
Terminal Illness	439	1.46%
Total	****30,946**	**100.00%**

**Condition count is greater than patient total as some patients suffer from multiple qualifying illnesses.

Figure 1:
Frequency of Condition
(August 9, 2012 through December 31, 2017)

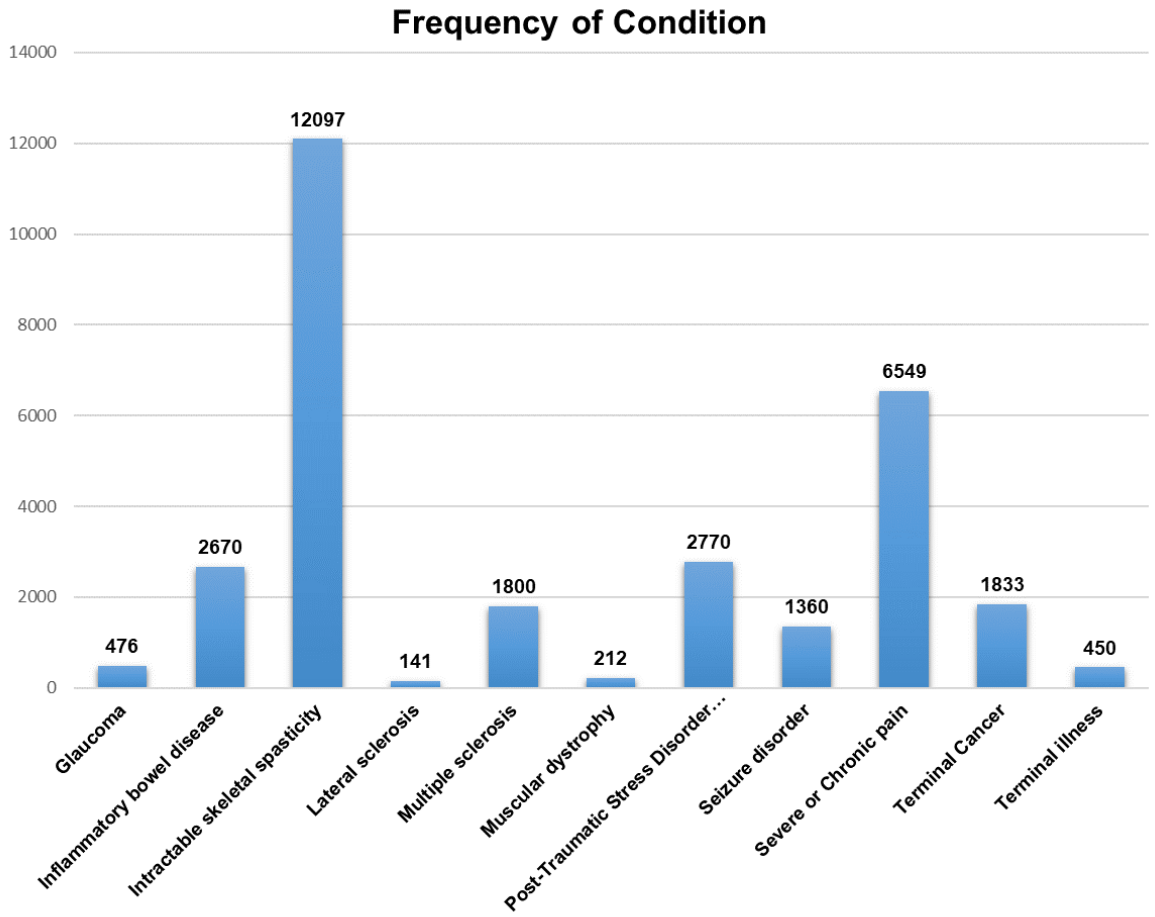

Figure 2:
Active Registered Physicians by Specialty
(August 9, 2012 through December 31, 2017)

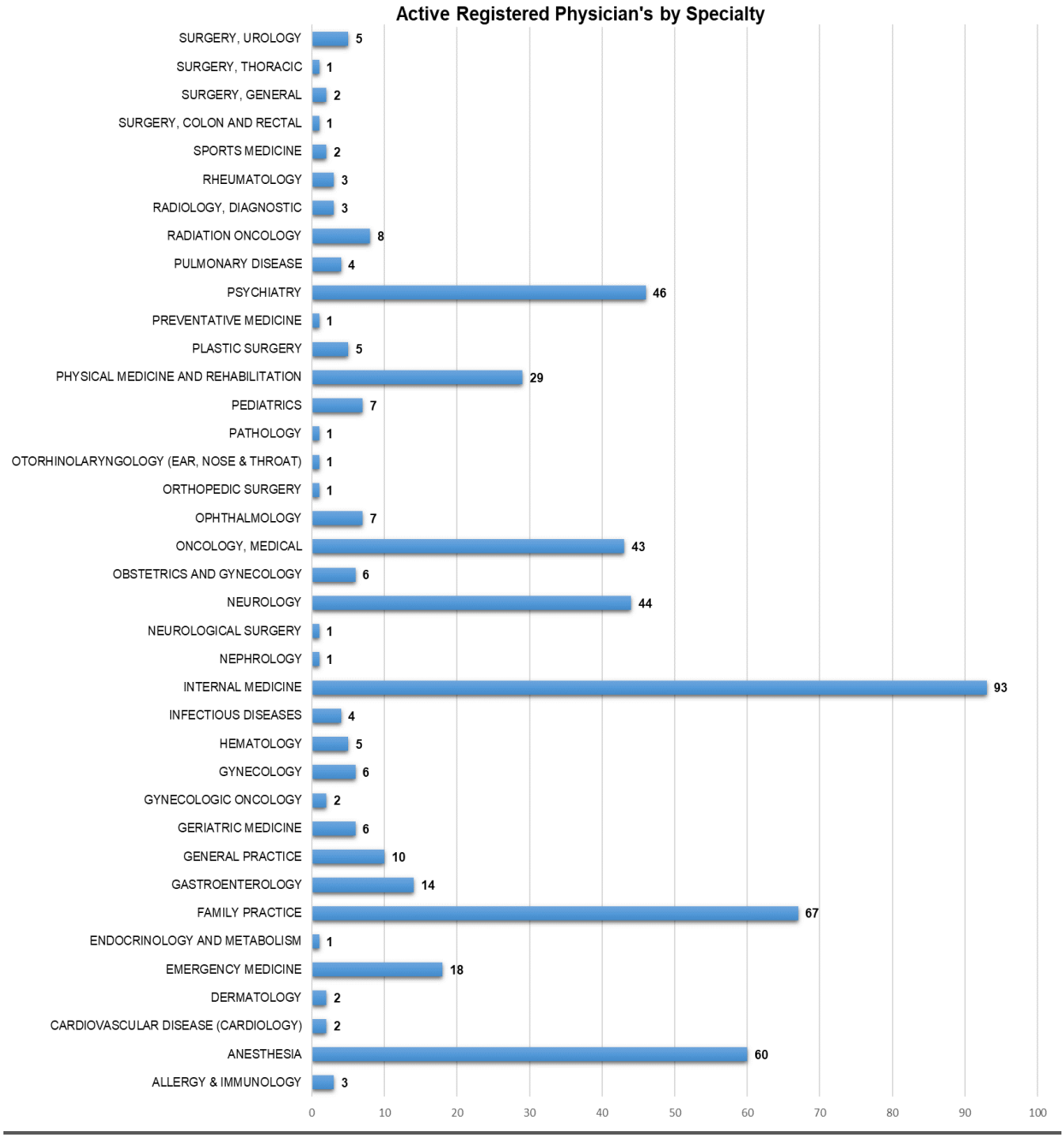
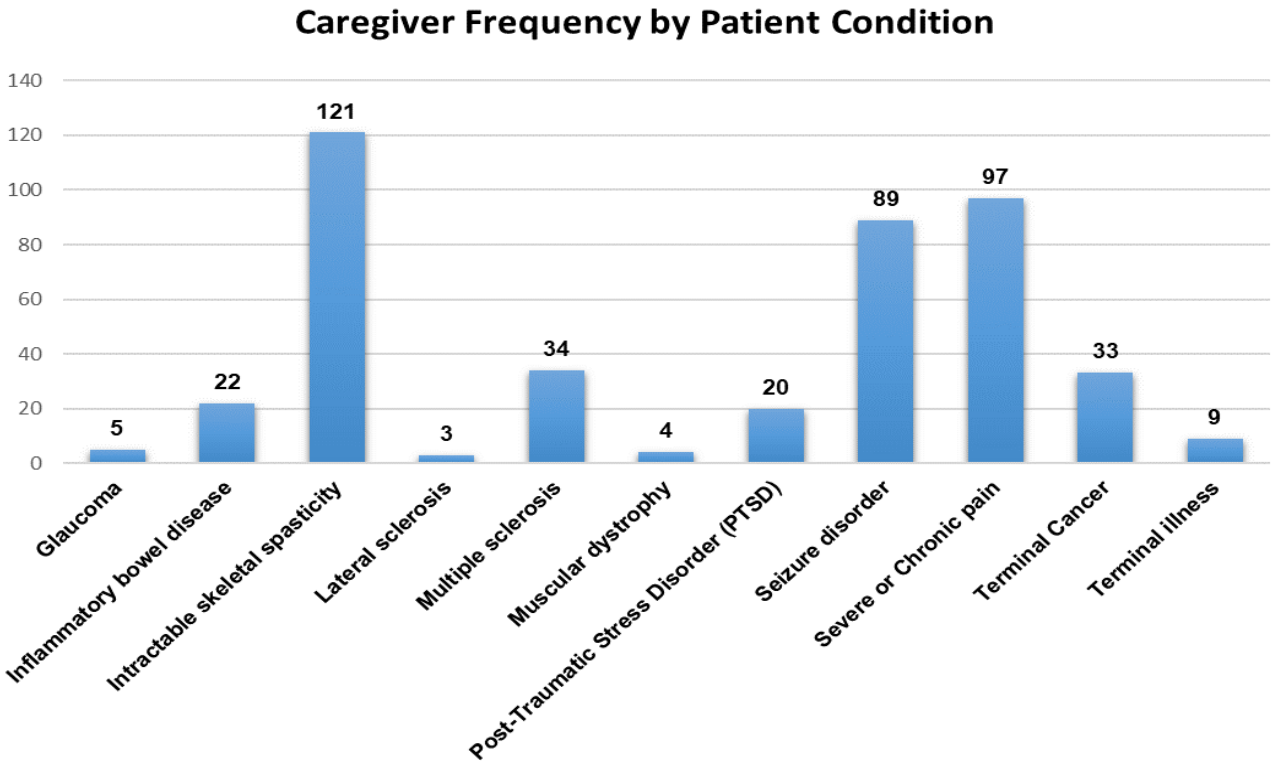
Figure 3:
Caregiver Frequency by Patient Condition